HOUSE BILL No. 1076

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.5-7.

Synopsis: Randolph County economic development income tax. Repeals the authority of Randolph County to impose an additional 0.25% county economic development income tax to fund the renovation of the county courthouse and former county hospital.

Effective: November 19, 2002 (retroactive); January 1, 2003 (retroactive).

Liggett

January 7, 2003, read first time and referred to Committee on Ways and Means.





First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1076

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-3.5-7-5, AS AMENDED BY P.L.178-2002
SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
NOVEMBER 19, 2002 (RETROACTIVE)]: Sec. 5. (a) Except as
provided in subsection (c), the county economic development income
tax may be imposed on the adjusted gross income of county taxpayers
The entity that may impose the tax is:

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or
- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6



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1	concerning the imposition of the county option income tax.	
2	(b) Except as provided in subsections (c) and (g), and (k), the	
3	county economic development income tax may be imposed at a rate of:	
4	(1) one-tenth percent (0.1%);	
5	(2) two-tenths percent (0.2%);	
6	(3) twenty-five hundredths percent (0.25%);	
7	(4) three-tenths percent (0.3%);	
8	(5) thirty-five hundredths percent (0.35%);	
9	(6) four-tenths percent (0.4%);	
.0	(7) forty-five hundredths percent (0.45%); or	
1	(8) five-tenths percent (0.5%);	
2	on the adjusted gross income of county taxpayers.	
.3	(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), or (n),	
4	or (o), the county economic development income tax rate plus the	
.5	county adjusted gross income tax rate, if any, that are in effect on	
6	January 1 of a year may not exceed one and twenty-five hundredths	
.7	percent (1.25%). Except as provided in subsection (g), the county	
8	economic development tax rate plus the county option income tax rate,	
9	if any, that are in effect on January 1 of a year may not exceed one	
20	percent (1%).	
21	(d) To impose the county economic development income tax, the	
22	appropriate body must, after January 1 but before April 1 of a year,	
23	adopt an ordinance. The ordinance must substantially state the	
24	following:	
25	"The County imposes the county economic	
26	development income tax on the county taxpayers of	
27	County. The county economic development income tax is imposed at	
28	a rate of percent (%) on the county taxpayers of the	
29	county. This tax takes effect July 1 of this year.".	
30	(e) Any ordinance adopted under this section takes effect July 1 of	
31	the year the ordinance is adopted.	
32	(f) The auditor of a county shall record all votes taken on ordinances	
33	presented for a vote under the authority of this section and immediately	
34	send a certified copy of the results to the department by certified mail.	
35	(g) This subsection applies to a county having a population of more	
86	than one hundred forty-eight thousand (148,000) but less than one	
37	hundred seventy thousand (170,000). In addition to the rates permitted	
88	by subsection (b), the:	
19	(1) county economic development income tax may be imposed at	
10	a rate of:	
1	(A) fifteen-hundredths percent (0.15%);	
12	(B) two-tenths percent (0.2%) ; or	



1	(C) twenty-five hundredths percent (0.25%); and
2	(2) county economic development income tax rate plus the county
3	option income tax rate that are in effect on January 1 of a year
4	may equal up to one and twenty-five hundredths percent (1.25%);
5	if the county income tax council makes a determination to impose rates
6	under this subsection and section 22 of this chapter.
7	(h) For a county having a population of more than forty-one
8	thousand (41,000) but less than forty-three thousand (43,000), the
9	county economic development income tax rate plus the county adjusted
10	gross income tax rate that are in effect on January 1 of a year may not
11	exceed one and thirty-five hundredths percent (1.35%) if the county has
12	imposed the county adjusted gross income tax at a rate of one and
13	one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.
14	(i) For a county having a population of more than thirteen thousand
15	five hundred (13,500) but less than fourteen thousand (14,000), the
16	county economic development income tax rate plus the county adjusted
17	gross income tax rate that are in effect on January 1 of a year may not
18	exceed one and fifty-five hundredths percent (1.55%).
19	(j) For a county having a population of more than seventy-one
20	thousand (71,000) but less than seventy-one thousand four hundred
21	(71,400), the county economic development income tax rate plus the
22	county adjusted gross income tax rate that are in effect on January 1 of
23	a year may not exceed one and five-tenths percent (1.5%).
24	(k) This subsection applies to a county having a population of more
25	than twenty-seven thousand four hundred (27,400) but less than
26	twenty-seven thousand five hundred (27,500). In addition to the rates
27	permitted under subsection (b):
28	(1) the county economic development income tax may be imposed
29	at a rate of twenty-five hundredths percent (0.25%); and
30	(2) the sum of the county economic development income tax rate
31	and the county adjusted gross income tax rate that are in effect on
32	January 1 of a year may not exceed one and five-tenths percent
33	(1.5%);
34	if the county council makes a determination to impose rates under this
35	subsection and section 22.5 of this chapter.
36	(1) (k) For a county having a population of more than twenty-nine
37	thousand (29,000) but less than thirty thousand (30,000), the county
38	economic development income tax rate plus the county adjusted gross
39	income tax rate that are in effect on January 1 of a year may not exceed
40	one and five-tenths percent (1.5%).
41	(m) (l) For:
42	(1) a county having a population of more than one hundred



1	eighty-two thousand seven hundred ninety (182,790) but less than
2	two hundred thousand (200,000); or
3	(2) a county having a population of more than forty-five thousand
4	(45,000) but less than forty-five thousand nine hundred (45,900);
5	the county economic development income tax rate plus the county
6	adjusted gross income tax rate that are in effect on January 1 of a year
7	may not exceed one and five-tenths percent (1.5%).
8	(n) (m) For a county having a population of more than six thousand
9	(6,000) but less than eight thousand (8,000), the county economic
10	development income tax rate plus the county adjusted gross income tax
11	rate that are in effect on January 1 of a year may not exceed one and
12	five-tenths percent (1.5%).
13	(o) (n) This subsection applies to a county having a population of
14	more than thirty-nine thousand (39,000) but less than thirty-nine
15	thousand six hundred (39,600). In addition to the rates permitted under
16	subsection (b):
17	(1) the county economic development income tax may be imposed
18	at a rate of twenty-five hundredths percent (0.25%); and
19	(2) the sum of the county economic development income tax rate
20	and:
21	(A) the county adjusted gross income tax rate that are in effect
22	on January 1 of a year may not exceed one and five-tenths
23	percent (1.5%); or
24	(B) the county option income tax rate that are in effect on
25	January 1 of a year may not exceed one and twenty-five
26	hundredths percent (1.25%);
27	if the county council makes a determination to impose rates under this
28	subsection and section 24 of this chapter.
29	SECTION 2. IC 6-3.5-7-5, AS AMENDED BY P.L.192-2002(ss),
30	SECTION 121, IS AMENDED TO READ AS FOLLOWS
31	[EFFECTIVE NOVEMBER 19, 2002 (RETROACTIVE)]: Sec. 5. (a)
32	Except as provided in subsection (c), the county economic
33	development income tax may be imposed on the adjusted gross income
34	of county taxpayers. The entity that may impose the tax is:
35	(1) the county income tax council (as defined in IC 6-3.5-6-1) if
36	the county option income tax is in effect on January 1 of the year
37	the county economic development income tax is imposed;
38	(2) the county council if the county adjusted gross income tax is
39	in effect on January 1 of the year the county economic
40	development tax is imposed; or
41	(3) the county income tax council or the county council,
42	whichever acts first for a county not covered by subdivision (1)



1	or (2).
2	To impose the county economic development income tax, a county
3	income tax council shall use the procedures set forth in IC 6-3.5-6
4	concerning the imposition of the county option income tax.
5	(b) Except as provided in subsections (c), (g), (k), and (p), (o), the
6	county economic development income tax may be imposed at a rate of:
7	(1) one-tenth percent (0.1%) ;
8	(2) two-tenths percent (0.2%);
9	(3) twenty-five hundredths percent (0.25%);
0	(4) three-tenths percent (0.3%);
1	(5) thirty-five hundredths percent (0.35%);
2	(6) four-tenths percent (0.4%);
3	(7) forty-five hundredths percent (0.45%); or
4	(8) five-tenths percent (0.5%);
.5	on the adjusted gross income of county taxpayers.
6	(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), or
.7	(o), or (p), the county economic development income tax rate plus the
8	county adjusted gross income tax rate, if any, that are in effect on
9	January 1 of a year may not exceed one and twenty-five hundredths
20	percent (1.25%). Except as provided in subsection (g) or (p), (o), the
21	county economic development tax rate plus the county option income
22	tax rate, if any, that are in effect on January 1 of a year may not exceed
23	one percent (1%).
24	(d) To impose, increase, decrease, or rescind the county economic
25	development income tax, the appropriate body must, after January 1 but
26	before April 1 of a year, adopt an ordinance. The ordinance to impose
27	the tax must substantially state the following:
28	"The County imposes the county economic
29	development income tax on the county taxpayers of
30	County. The county economic development income tax is imposed at
31	a rate of percent (%) on the county taxpayers of the
32	county. This tax takes effect July 1 of this year.".
33	(e) Any ordinance adopted under this chapter takes effect July 1 of
34	the year the ordinance is adopted.
35	(f) The auditor of a county shall record all votes taken on ordinances
36	presented for a vote under the authority of this chapter and shall, not
37	more than ten (10) days after the vote, send a certified copy of the
88	results to the commissioner of the department by certified mail.
39	(g) This subsection applies to a county having a population of more
10	than one hundred forty-eight thousand (148,000) but less than one
11	hundred seventy thousand (170,000). Except as provided in subsection
12	(p), (o), in addition to the rates permitted by subsection (b), the:



1	(1) county economic development income tax may be imposed at
2	a rate of:
3	(A) fifteen-hundredths percent (0.15%);
4	(B) two-tenths percent (0.2%); or
5	(C) twenty-five hundredths percent (0.25%); and
6	(2) county economic development income tax rate plus the county
7	option income tax rate that are in effect on January 1 of a year
8	may equal up to one and twenty-five hundredths percent (1.25%);
9	if the county income tax council makes a determination to impose rates
10	under this subsection and section 22 of this chapter.
11	(h) For a county having a population of more than forty-one
12	thousand (41,000) but less than forty-three thousand (43,000), except
13	as provided in subsection (p), (o), the county economic development
14	income tax rate plus the county adjusted gross income tax rate that are
15	in effect on January 1 of a year may not exceed one and thirty-five
16	hundredths percent (1.35%) if the county has imposed the county
17	adjusted gross income tax at a rate of one and one-tenth percent (1.1%)
18	under IC 6-3.5-1.1-2.5.
19	(i) For a county having a population of more than thirteen thousand
20	five hundred (13,500) but less than fourteen thousand (14,000), except
21	as provided in subsection (p), (o), the county economic development
22	income tax rate plus the county adjusted gross income tax rate that are
23	in effect on January 1 of a year may not exceed one and fifty-five
24	hundredths percent (1.55%).
25	(j) For a county having a population of more than seventy-one
26	thousand (71,000) but less than seventy-one thousand four hundred
27	(71,400), except as provided in subsection (p), (o), the county
28	economic development income tax rate plus the county adjusted gross
29	income tax rate that are in effect on January 1 of a year may not exceed
30	one and five-tenths percent (1.5%).
31	(k) This subsection applies to a county having a population of more
32	than twenty-seven thousand four hundred (27,400) but less than
33	twenty-seven thousand five hundred (27,500). Except as provided in
34	subsection (p), in addition to the rates permitted under subsection (b):
35	(1) the county economic development income tax may be imposed
36	at a rate of twenty-five hundredths percent (0.25%); and
37	(2) the sum of the county economic development income tax rate
38	and the county adjusted gross income tax rate that are in effect on
39	January 1 of a year may not exceed one and five-tenths percent
40	(1.5%);
41	if the county council makes a determination to impose rates under this
42	subsection and section 22.5 of this chapter.



1	(1) (k) For a county having a population of more than twenty-nine
2	thousand (29,000) but less than thirty thousand (30,000), except as
3	provided in subsection (p), (o), the county economic development
4	income tax rate plus the county adjusted gross income tax rate that are
5	in effect on January 1 of a year may not exceed one and five-tenths
6	percent (1.5%).
7	(m) (l) For:
8	(1) a county having a population of more than one hundred
9	eighty-two thousand seven hundred ninety (182,790) but less than
10	two hundred thousand (200,000); or
11	(2) a county having a population of more than forty-five thousand
12	(45,000) but less than forty-five thousand nine hundred (45,900);
13	except as provided in subsection (p), (o), the county economic
14	development income tax rate plus the county adjusted gross income tax
15	rate that are in effect on January 1 of a year may not exceed one and
16	five-tenths percent (1.5%).
17	(n) (m) For a county having a population of more than six thousand
18	(6,000) but less than eight thousand (8,000), except as provided in
19	subsection (p), (o), the county economic development income tax rate
20	plus the county adjusted gross income tax rate that are in effect on
21	January 1 of a year may not exceed one and five-tenths percent (1.5%).
22	(o) (n) This subsection applies to a county having a population of
23	more than thirty-nine thousand (39,000) but less than thirty-nine
24	thousand six hundred (39,600). Except as provided in subsection (p),
25	(o), in addition to the rates permitted under subsection (b):
26	(1) the county economic development income tax may be imposed
27	at a rate of twenty-five hundredths percent (0.25%); and
28	(2) the sum of the county economic development income tax rate
29	and:
30	(A) the county adjusted gross income tax rate that are in effect
31	on January 1 of a year may not exceed one and five-tenths
32	percent (1.5%); or
33	(B) the county option income tax rate that are in effect on
34	January 1 of a year may not exceed one and twenty-five
35	hundredths percent (1.25%);
36	if the county council makes a determination to impose rates under this
37	subsection and section 24 of this chapter.
38	(p) (o) In addition:
39	(1) the county economic development income tax may be imposed
40	at a rate that exceeds by not more than twenty-five hundredths
41	percent (0.25%) the maximum rate that would otherwise apply
42	under this section; and



1	(2) the:
2	(A) county economic development income tax; and
3	(B) county option income tax or county adjusted gross income
4	tax;
5	may be imposed at combined rates that exceed by not more than
6	twenty-five hundredths percent (0.25%) the maximum combined
7	rates that would otherwise apply under this section.
8	However, the additional rate imposed under this subsection may not
9	exceed the amount necessary to mitigate the increased ad valorem
10	property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting
11	from the deduction of the assessed value of inventory in the county
12	under IC 6-1.1-12-41 or IC 6-1.1-12-42.
13	(q) (p) If the county economic development income tax is imposed
14	as authorized under subsection (p) (o) at a rate that exceeds the
15	maximum rate that would otherwise apply under this section, the
16	certified distribution must be used for the purpose provided in section
17	25(e) or 26 of this chapter to the extent that the certified distribution
18	results from the difference between:
19	(1) the actual county economic development tax rate; and
20	(2) the maximum rate that would otherwise apply under this
21	section.
22	SECTION 3. IC 6-3.5-7-25, AS ADDED BY P.L.192-2002(ss),
23	SECTION 127, IS AMENDED TO READ AS FOLLOWS
24	[EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 25. (a)
25	This section applies only to a county that has adopted an ordinance
26	under IC 6-1.1-12-41(f).
27	(b) For purposes of this section, "imposing entity" means the entity
28	that adopted the ordinance under IC 6-1.1-12-41(f).
29	(c) The imposing entity may adopt an ordinance to provide for the
30	use of the certified distribution described in section 16(c) of this
31	chapter for the purpose provided in subsection (e). A county income
32	tax council that adopts an ordinance under this subsection shall use the
33	procedures set forth in IC 6-3.5-6 concerning the adoption of an
34	ordinance for the imposition of the county option income tax. An
35	ordinance must be adopted under this subsection after January 1 but
36	before April 1 of a calendar year. The ordinance may provide for an
37	additional rate under section 5(p) section 5(o) of this chapter. An
38	ordinance adopted under this subsection:
39	(1) first applies to the certified distribution described in section
40	16(c) of this chapter made in the calendar year that immediately
41	succeeds the calendar year in which the ordinance is adopted;
42	(2) must specify the calendar years to which the ordinance



1	applies; and
2	(3) must specify that the certified distribution must be used for the
3	purpose provided in subsection (e).
4	An ordinance adopted under this subsection may be combined with an
5	ordinance adopted under section 26 of this chapter.
6	(d) If an ordinance is adopted under subsection (c), the percentage
7	of the certified distribution specified in the ordinance for use for the
8	purpose provided in subsection (e) shall be:
9	(1) retained by the county auditor under subsection (g); and
10	(2) used for the purpose provided in subsection (e) instead of the
11	purposes specified in the capital improvement plans adopted
12	under section 15 of this chapter.
13	(e) If an ordinance is adopted under subsection (c), the imposing
14	entity shall use the certified distribution described in section 16(c) of
15	this chapter to increase the percentage of the homestead credit allowed
16	in the county under IC 6-1.1-20.9 for a year to offset the effect on
17	homesteads in the county resulting from a county deduction for
18	inventory under IC 6-1.1-12-41. The county auditor shall, for each
19	calendar year in which an increased homestead credit percentage is
20	authorized under this section, determine:
21	(1) the amount of the certified distribution that is available to
22	provide an increased homestead credit percentage for the year;
23	(2) the amount of uniformly applied homestead credits for the
24	year in the county that equals the amount determined under
25	subdivision (1); and
26	(3) the increased percentage of homestead credit that equates to
27	the amount of homestead credits determined under subdivision
28	(2).
29	(f) The increased percentage of homestead credit determined by the
30	county auditor under subsection (e) applies uniformly in the county in
31	the calendar year for which the increased percentage is determined.
32	(g) The county auditor shall retain from the payments of the county's
33	certified distribution an amount equal to the revenue lost, if any, due to
34	the increase of the homestead credit within the county. The money shall
35	be distributed to the civil taxing units and school corporations of the
36	county:
37	(1) as if the money were from property tax collections; and
38	(2) in such a manner that no civil taxing unit or school
39	corporation will suffer a net revenue loss because of the
40	allowance of an increased homestead credit.
41	SECTION 4. IC 6-3.5-7-26, AS ADDED BY P.L.192-2002(ss),
42	SECTION 128, IS AMENDED TO READ AS FOLLOWS



1	[EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 26. (a)
2	This section applies only to homestead credits for property taxes first
3	due and payable after calendar year 2006.
4	(b) For purposes of this section, "adopting entity" means the entity
5	that:
6	(1) adopts an ordinance under IC 6-1.1-12-41(f); or
7	(2) any other entity that may impose a county economic
8	development income tax under section 5 of this chapter.
9	(c) An adopting entity may adopt an ordinance to provide for the use
10	of the certified distribution described in section 16(c) of this chapter for
11	the purpose provided in subsection (e). An adopting entity that adopts
12	an ordinance under this subsection shall use the procedures set forth in
13	IC 6-3.5-6 concerning the adoption of an ordinance for the imposition
14	of the county option income tax. An ordinance must be adopted under
15	this subsection after January 1 but before April 1 of a calendar year.
16	The ordinance may provide for an additional rate under section 5(p)
17	section 5(0) of this chapter. An ordinance adopted under this
18	subsection:
19	(1) first applies to the certified distribution described in section
20	16(c) of this chapter made in the later of the calendar year that
21	immediately succeeds the calendar year in which the ordinance is
22	adopted or calendar year 2007; and
23	(2) must specify that the certified distribution must be used for the
24	purpose provided in subsection (e).
25	An ordinance adopted under this subsection may be combined with an
26	ordinance adopted under section 25 of this chapter.
27	(d) If an ordinance is adopted under subsection (c), the percentage
28	of the certified distribution specified in the ordinance for use for the
29	purpose provided in subsection (e) shall be:
30	(1) retained by the county auditor under subsection (g); and
31	(2) used for the purpose provided in subsection (e) instead of the
32	purposes specified in the capital improvement plans adopted
33	under section 15 of this chapter.
34	(e) If an ordinance is adopted under subsection (c), the adopting
35	entity shall use the certified distribution described in section 16(c) of
36	this chapter to increase the percentage of the homestead credit allowed
37	in the county under IC 6-1.1-20.9 for a year to offset the effect on
38	homesteads in the county resulting from the statewide deduction for
39	inventory under IC 6-1.1-12-42. The county auditor shall, for each
40	calendar year in which an increased homestead credit percentage is
41	authorized under this section, determine:

(1) the amount of the certified distribution that is available to



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1	provide an increased homestead credit percentage for the year;	
2	(2) the amount of uniformly applied homestead credits for the	
3	year in the county that equals the amount determined under	
4	subdivision (1); and	
5	(3) the increased percentage of homestead credit that equates to	
6	the amount of homestead credits determined under subdivision	
7	(2).	
8	(f) The increased percentage of homestead credit determined by the	
9	county auditor under subsection (e) applies uniformly in the county in	
0	the calendar year for which the increased percentage is determined.	
1	(g) The county auditor shall retain from the payments of the county's	
2	certified distribution an amount equal to the revenue lost, if any, due to	
3	the increase of the homestead credit within the county. The money shall	
4	be distributed to the civil taxing units and school corporations of the	
5	county:	
6	(1) as if the money were from property tax collections; and	
7	(2) in such a manner that no civil taxing unit or school	
8	corporation will suffer a net revenue loss because of the	
9	allowance of an increased homestead credit.	
.0	SECTION 5. IC 6-3.5-7-22.5 IS REPEALED [EFFECTIVE	
1	NOVEMBER 19, 2002 (RETROACTIVE)].	
2	SECTION 6. An emergency is declared for this act.	
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